

Message Text

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PAGE 01 MANILA 01103 241051Z

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TAGS: EGEN, RP

SUBJ: ECONOMIC NEGOTIATIONS AND VETERANS BENEFITS

REF: STATE 012455

1. UNDER CURRENT US LAW (38 USC 1732(C) AND 107 A AND B), SERVICE CONNECTED LIFE AND DEATH BENEFITS ARE PAYABLE IN PESOS AT THE RATE OF 50 CENT TO THE \$1.00 TO THE FOLLOWING CLASSES OF PHILIPPINE VETERANS: (1) NEW SCOUTS, (2) COMMONWEALTH VETERANS, AND (3) RECOGNIZED GUERRILLAS. UNDER BENEFITS DERIVING FROM THESE CLASSES OF ELIGIBILITY 35,247 PHILIPPINE VETERANS OR DEPENDENTS ARE RECEIVING PAYMENTS AT A RATE OF 50 PERCENT OF THE DISABILITY PAYMENT THAT AN ELIGIBLE US VETERAN RECEIVES. REGULAR VETERANS OF THE US MILITARY IRRESPECTIVE OF NATIONALITY INCLUDING OLD PHILIPPINE SCOUTS (SERVICE UNTIL OCT 5, 1945) RECEIVE FULL BENEFITS. AT THE PRESENT TIME 14,264 OF SUCH VETERANS OR DEPENDENTS IN THE PHILIPPINES RECEIVED THE SAME DISABILITY BENEFITS AS ANY REGULAR US VETERAN.

2. THE CURRENT US LAW IS WRITTEN SO THAT FLUCTUATION OF THE PESO VIS A VIS THE DOLLAR IS TAKEN INTO ACCOUNT IN PAYMENT OF DISABILITY BENEFITS FOR AFFECTED CLASSES OF PHIL VETERANS. FOR EXAMPLE, IF A US VETERAN IS ENTITLED TO \$100 PER MONTH DISABILITY BENEFITS, THAT AMOUNT IS DIVIDED IN HALF (\$50) AND THEN MULTIPLIED BY THE CURRENT EXCHANGE RATE (7 PESOS TO \$1.00) IN ORDER TO DETERMINE DISABILITY PAYMENTS TO THE CITED 3 CATEGORIES OF PHIL
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PAGE 02 MANILA 01103 241051Z

VETERANS.

3. VETERANS EDUCATIONAL BENEFITS ARE ALSO PAYABLE AT 50 PERCENT OF THE NORMAL RATE TO THE SPECIAL CLASSES OF VETERANS OR DEPENDENTS CITED ABOVE PLUS DEPENDENTS OF REGULAR US VETERANS THAT ARE ATTENDING SCHOOL IN THE PHILIPPINES. AT PRESENT TIME 1821 VETERANS OR DEPENDENTS RECEIVE THE 50 PERCENT EDUCATIONAL ALLOWANCE WHILE 1877 REGULAR US VETERANS, REGARDLESS OF NATIONALITY, ATTENDING SCHOOL IN THE PHILIPPINES RECEIVE THE FULL EDUCATIONAL ALLOWANCE. (SEE 38 USC 1502 (C)).

EMB UNDERSTANDS THAT ANY OTHER CLASSES OF PHIL CITIZENS ENTITLED TO SOME TYPE OF USG PAYMENT, I.E., SOCIAL SECURITY, ETC., ARE AUTHORIZED THE SAME RATES OF PAYMENT AS US CITIZENS.

4. EMB BELIEVES THAT GOP WILL CONTINUE TO RAISE THIS ANOMALLY ON ITS OWN MERIT AND AS A TOPIC IN FUTURE NEGOTIATIONS. ART. 3 OF USG DRAFT TREATY OF ECONOMIC COOPERATION, TABLED DURING JULY 1974 NEGOTIATING SESSION, REFERS TO NATIONAL TREATMENT FOR RIGHTS UNDER SOCIAL LEGISLATION. THIS ARTICLE WAS INCLUDED IN US DRAFT BECAUSE SIMILAR ARTICLE WAS FOUND IN GOP DRAFT ECONOMIC TREATY PROVIDED EMT. POSSIBLY GOP BELIEVES SUCH TREATY LANGUAGE WOULD CURE THE ABOVE DUAL CALCULATION SYSTEM. HOWEVER, EVEN IF TREATY LANGUAGE ACCEPTED, IT IS SUGGESTED THAT NATIONAL TREATMENT CONCEPT NEED NOT NECESSARILY AFFECT OR BE APPLICABLE TO THE ABOVE TYPE OF PAYMENTS BECAUSE OF THEIR UNIQUE NATURE AND APPLICATION REPRESENTING A UNILATERAL GESTURE RATHER THAN RECOGNITION OF A PRIOR RIGHT.

5. WE DO NOT MEAN TO SUGGEST THAT MATTER ENDS HERE. WHILE CONSIDERING THE BENEFITS IN QUESTION AT LEAST ARGUABLY UNIQUE AND UNILATERAL, WE CAN ANTICIPATE FURTHER PRESSURE FROM PHILIPPINE SIDE TO BRING VA BENEFITS IN LINE. ALTHOUGH THE LAW WAS APPARENTLY NOT MEANT TO RECOGNIZE ANY PRIOR RIGHT, IT ESTABLISHED A BENEFIT WHICH, OVER TIME, PROBABLY CANNOT BE PREVENTED FROM TAKING ON THE FLAVOR OF A RIGHT. THUS, WHILE WE EXPECT THAT ECONOMIC NEGOTIATIONS WILL BE COMPLICATED ENOUGH WITHOUT ATTEMPTING TO CONVINCE CONGRESS THEY SHOULD AMEND APPLICABLE VETERANS LAW THAT AFFECTS A UNIQUE CLASS OF PEOPLE, FILIPINO NEGOTIATORS OBVIOUSLY ATTACH SOME IMPORTANCE TO OVERALL ISSUE OF NATIONAL TREATMENT RESPECTING SOCIAL LEGISLATION, AND THEY CAN PICK ON THIS AS A LIMITED OFFICIAL USE

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PAGE 03 MANILA 01103 241051Z

READY BONE OF CONTENTION.
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